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## ***FEAD's position on the Critical Raw Materials Regulation: the EU needs to step up its game on critical raw material recycling***

The EU is facing a critical challenge in ensuring the availability and sustainability of critical raw materials (CRMs), as limited global supply and increasing demand threaten their long-term supply security. FEAD welcomes the Commission's proposal for a Critical Raw Materials Regulation (CRM) as an **important step towards clearly acknowledging the role of circularity, recycling and recovering of materials** in the diversification of supply sources and in reducing the EU's dependencies. In addition, by recycling CRMs, the EU can conserve natural resources, and minimise the environmental impacts of mining and extraction.

### **List of strategic raw materials**

The list of strategic raw materials listed in Annex I is essential to secure access to raw materials of strategic importance for the energy and digital transition in the EU. Therefore, FEAD would like to suggest adding further materials that are strategic to achieve the EU objectives:

- **Aluminium**, throughout the whole value chain from unwrought aluminium to finished products. This is an enabling material in the green transition as a component of nearly all technological solutions listed in the Net Zero Industry Act. In fact, the Commission's impact assessment and strategic foresight report identified aluminium as strategic raw material (with its ore bauxite already on the critical raw materials list) due to strong rising transition demand, an eroding EU production base, and the growing role of China and Russia in European supply.
- **Molybdenum**. This material will increase in importance in the near future, both as a fundamental element in the green transition and as a substitute for other metals in the composition of higher value alloys. The Commission's study on the critical raw materials for the EU 2023 shows a 100% import reliance for the extraction and processing of molybdenum. It also shows a supply risk value and economic importance value higher than other materials, such as copper or nickel, for example.
- **Phosphorus** is essential for agriculture and food security as a raw material for fertilisers. While global demand for phosphorus is steadily increasing, its availability is decreasing. Technologies for recycling phosphorus already exist, but increased capacities are needed to decrease its extraction as primary raw material, and thus the negative environmental impact caused by it. The Commission's study on the critical raw materials for the EU 2023 shows a 100% import reliance for the processing of phosphorus.

## The importance of recycling and efficient waste management

Recycling and efficient waste management are critical components of the circular economy. **FEAD believes that the EU must take a holistic approach to promoting recycling and efficient waste management.** This includes investing in technological innovation, research and development, and the implementation of effective regulatory frameworks to ensure that the recycling of CRMs is safe, efficient, and sustainable.

**Therefore, FEAD advocates for concrete measures on the financing of strategic projects from the existing EU funding instruments, such as the Innovation Fund, Horizon Europe, or Life.** As the development of new technologies is urgently needed, the existing funds should already be used to finance strategic projects. Looking into the future, dedicated funds for the financing of strategic projects must constantly be in place, as the demand for strategic raw materials will steadily increase. A dedicated fund can be created to this end, which should not exclude financing opportunities from existing instruments, at least in the transition period until the creation of a dedicated fund or system. Such a dedicated fund for CRM should be considered in the negotiations of the next Multiannual Financial Framework for the European Union. The criteria to obtain the funds must be clear and objective, and the procedures must be streamlined. The funding system must be transparent and efficient.

In addition, **green public procurement is a powerful tool to boost the circular economy and green innovation.** As determined by the Commission's Communication of 15 May 2023 on a revised monitoring framework for the circular economy (COM(2023) 306 final), the EU spends around 14% of GDP (around EUR 2 trillion per year) on the purchase of services and goods through public procurement. Therefore, **its role should be strengthened under the national measures on circularity** (Art. 25(1)(c)) to promote the market for secondary raw materials and stimulate investment in recycling capacities.

- [Accelerating permitting procedures](#)

FEAD welcomes the proposal to streamline permitting procedures for Strategic Projects involving recycling, but these permit granting processes **should not exceed 8 months**. In addition, the Regulation must ensure that national authorities request all additional information for processing an application at once, and only once, to avoid unnecessary delays.

- [Recycling targets](#)

FEAD has repeatedly called for sufficient incentives in the waste management legislation to improve the circularity of critical raw materials and for the development of a strong market in secondary raw materials. New technologies and developments regarding the recycling of critical raw materials urgently need to be supported. Hence, **FEAD supports the benchmark set in the Commission's proposal to achieve a recycling capacity that can produce at least 15% of the Union's annual consumption of strategic raw materials by 2030.**

At the same time, FEAD stresses that recycling capacities and infrastructure are not homogeneous across materials and, as financial support is uncertain at present, it is not

appropriate, at this stage, to introduce additional material specific targets (e.g., +7.5% of (recycled) volume for each strategic raw material). **The EU should therefore adhere, for the time being, to an ambitious overall benchmark until there is more clarity about the recycling technologies and capacities for the individual strategic raw materials.**

FEAD further considers that recycled content provisions are essential to the Critical Raw Materials Regulation to promote recycling and should therefore be incorporated in the Regulation itself, in line with Article 290(1) TFEU. As it is not possible to clearly predict when the technologies and infrastructure for recycling certain raw materials will be sufficiently available, no specific date should be determined to establish recycled content targets for permanent magnets (Art. 28). This shall not prevent MS from establishing national targets in the absence of EU legislation.

- *Ecodesign for reuse and recycling of permanent magnets*

FEAD calls for the introduction of clear labeling on permanent magnets in all appliances where they are integrated (Art. 27). Furthermore, these permanent magnets should be integrated in appliances in such a way that their removal in the pre-treatment phase is rendered possible. In this way the recovery of the valuable materials within permanent magnets through reuse or recycling will be encouraged. Such ecodesign rules must be strictly aligned and coherent with any prescription under the Ecodesign Regulation, or any other relevant legislation.

### **National measures on circularity of CRM**

FEAD welcomes the Commission's proposal to increase collection and recycling rates for waste streams with a high potential for recovery of critical raw materials. Recovering these CRMs from waste saves CO<sub>2</sub> emissions and decreases the EU dependencies on third countries. FEAD highlights the following waste streams as examples to be considered in national measures on circularity due to their content of metals and strategic or critical raw materials that can be recovered:

- **Batteries** to recover lithium, nickel, cobalt and magnesium;
- **Magnets** (end-of-life vehicles, windmills) to recover rare earth elements (HREE and LREE);
- **Chips and computer boards** to recover various metals;
- **WEEE** to recover various metals;
- **Solar panels** to recover silicon metal;
- **Sewage sludge** to recover phosphorus (furthermore, agronomic recovery of sludge is likely to improve soils quality);
- **Metal scraps** from gigafactories (e.g., for batteries, electric vehicles);
- **Bottom ashes** of waste incinerators (e.g. copper, aluminium, gold, silver);

- In addition to batteries and WEEE, the **catalysts from the petrochemical industry** can also contain critical raw materials, such as nickel, molybdenum, vanadium, copper and cobalt. Developing European and national end-of-waste criteria for salts and metals recovered from those catalysts would further contribute to the achievement of the objectives of the CRM Regulation.

## European Critical Raw Materials Board

To achieve the EU's objectives in terms of circularity, it is important to ensure good monitoring of what raw materials must be regarded as strategic. In addition, the main hurdles for a stronger secondary raw materials market should be constantly analysed, as well as the reasons why secondary raw materials are not already being used to a greater extent.

Therefore, **FEAD suggests the introduction of an additional subgroup in the CRM Board** (Arts. 34 and 35) **dedicated to the circularity of critical raw materials**. This subgroup should bring together the waste management sector and relevant stakeholders to discuss and coordinate recycling capacities and objectives, secondary raw material markets, recycled content measures, and any other aspects related to the circularity of CRM.

FEAD encourages a strong collaboration between EU policymakers, industry stakeholders and Member States to address legal, economic, and technical barriers, to maximise the critical raw material potential of waste. At the same time, **it must be ensured that there are no overlaps with other (waste) legislation as the industry is already confronted with an enormous number of legal provisions contained in different pieces of legislation**. Legal certainty and investment security are key to achieving the EU Green Deal objectives.

In its support to the EU objectives, FEAD strongly recommends the recycling of critical raw materials to ensure a sustainable supply and enable the transition to a circular economy. Waste management companies play a pivotal role in this process by collecting and treating the waste to produce material resources that can be reintroduced into the economy. **The waste management industry has immense potential and is strongly committed to the EU's green transition and strategic autonomy by increasing the recycling of CRM.**

*FEAD is the European Waste Management Association, representing the private waste and resource management industry across Europe, including 18 national waste management federations and 3,000 waste management companies. Private waste management companies operate in 60% of municipal waste markets in Europe and in 75% of industrial and commercial waste. This means more than 320,000 local jobs, fuelling €5 billion of investments into the economy every year. For more information, please contact:*

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